

**CHILD AND ADULT CARE FOOD PROGRAM
(CACFP)**

**Competitive Bidding Procedure
Food Service Management Company (FSMC)**

Policy

for

Child and Adult Care Food Program Sponsors

**Connecticut State Department of Education
Policy: Child and Adult Care Food Program Sponsors
Revised 05/06**

Connecticut State Department of Education
Child Nutrition Programs
Child and Adult Care Food Program (CACFP)

**COMPETITIVE BIDDING PROCEDURE
FOOD SERVICE MANAGEMENT COMPANY (FSMC)**

Part I INTRODUCTION

CACFP sponsors who purchase meals from a Food Service Management Company (FSMC) or any organization other than a school food authority that operates its own food service must comply with competitive bidding procedures when the value of the contracted meals is \$100,000 or more as described in program regulations 7 CFR Part 226.

The following policy describes the procedure in detail. A copy of the sample *Invitation For Bid (IFB) and Contract* referred to in the policy is available on this website. Sufficient time must be allowed to complete the bid process in order for the contract to be awarded and submitted to the Child Nutrition office prior to the beginning of operations under that contract and the claiming of meals.

Objective The purpose is to ensure procurement procedures are conducted in a manner that provides maximum free and open competition. Procurement procedures must not restrict or eliminate competition. Examples of what is considered to be restrictive of competition include, but are not limited to (1) placing unreasonable requirements on firms in order for them to qualify to do business, (2) non-competitive practices between firms, (3) organizational conflicts of interest, (4) insufficient time, (5) unnecessary experience and bonding requirements, or (6) geographic preferences or inappropriate practices (using information, such as menus prepared by the FSMC, negotiating with a bidder, etc.).

Method of procurement The competitive sealed bids procedure must be used by sponsors when the bid is expected to be \$100,000 or more. In competitive sealed bids (formal advertising), sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all material terms and conditions of the invitation to bid is lowest in price. The IFB must contain specifications and pertinent attachments that clearly define the items or services needed to allow bidders to properly respond to the invitation.

Solicitations of bids and advertising There must be sufficient time prior to the date of the bid opening to allow for preparation and submission of bids. The IFB must be publicized to provide for free and open competition. Generally this is done by advertising in the major newspaper that serves the area. The advertisement must include date and time of bid opening, a brief description of what is being proposed and instructions for obtaining a copy of the IFB. Copies of the complete IFB should be mailed to prospective bidders, i.e., vendors that are believed to be qualified and might reasonably be expected to respond. This may include FSMCs that are currently doing business with other sponsors. Any amendments or changes to the IFB as well as any questions and answers resulting from written bidder inquiries must be submitted to all prospective bidders.

Submission of bids Bidders are asked to submit unit prices on the meal types specified in the contract. Specific items to be submitted with the bid, such as a current health certificate, are stated in the IFB.

Pre-bid meeting A sponsor may conduct a pre-bid meeting after the IFB is issued and prior to the date bids are due in order to provide information and answer questions concerning contract requirements. The meeting is not a substitute, however, for formally amending deficient or ambiguous specifications or to disseminate requirements in addition to those contained in the IFB. Information about the meeting must be provided to each FSMC that received a copy of the IFB either directly or upon request. Results from the meeting are not considered official until provided in writing to all FSMC's that received the IFB.

Bid Openings Sealed bids must be publicly opened at the time and place stated in the invitation. Bids received after the stated deadline cannot be considered, unless it is received before award is made and it was sent by registered or certified mail not later than the fifth calendar day prior to the date specified for the receipt of bids. Only sealed bids are valid, unsealed bids must be rejected. Once the bids are opened, the name of each bidder and bid price must be recorded.

Evaluation of bids and award of contract The contract is awarded to the responsible vendor whose bid conforming to all terms and conditions, is the lowest price unless there are sound documented reasons to reject a bid in the best interest of the program. If the contracts must be approved by city/town officials, the board and/or the Child Nutrition office, the sponsor would refrain from making a formal award until approval is received. [Approval from the Child Nutrition Office is required if the bid is \$50,000 or more and/or if not accepting lowest bid.] The successful bidder should be notified of the sponsor's intent to recommend acceptance of the bid. Once approval is obtained a written notice of the award should be made to the successful bidder. This usually accompanies a copy of the signed contract.

Duration and renewals The contract duration is limited to one year with the effective beginning and ending dates stated in the contract. Although not required, the sponsor may renew the contract for an additional year. Sponsors should evaluate the performance of the FSMC in accordance with contract provisions, such as meal quality and adherence to the menu. A total of four one year renewals are allowed following the initial contract year. If the renewal option is used, a termination clause must be included in the initial contract.

Part II COMPETITIVE BIDDING PROCEDURE

The standard contract, called the *Invitation For Bid (IFB) and Contract*, provided by the Child Nutrition office must be used. Each proposed additional provision to the standard form of contract shall be submitted to the State agency for approval prior to publication.

A public agency may, with approval from the Child Nutrition office, use their customary contract if it incorporates all requirements in the sample IFB, including the suspension and debarment certification. The applicable program regulations, 7 CFR Part 226.6(i) and 7 CFR Part 226.21, are provided in *Attachment B* and must be referenced in bid preparation.

Sponsors must award the contract in accordance with outlined procedures prior to the claiming of meals. Meals provided by the FSMC before the effective date are ineligible for reimbursement. The FSMC may not subcontract for the total meal, with or without milk, or for the assembly of the meal.

The following is a summary of the steps required to contract with a FSMC:

1. Complete the *Invitation For Bid (IFB) and Contract* package provided by the Child Nutrition office and return the completed IFB to the State agency for approval prior to distribution, including all applicable sections and schedules. The suspension and debarment certification must be attached.

Any additional provision or addendum to the standard contract must be submitted to the Child Nutrition office for approval. Any additions or addendum to the standard contract must be highlighted when submitted to the State agency for approval.

2. Publicly announce at least once, all invitations for bid not less than 14 calendar days before bids are opened.

This notification must include date, time and place of bid opening, a brief description of what is proposed and instructions for obtaining a copy of the IFB. A daily newspaper serving the area of operation must be used for the bid announcement. It is recommended that the IFB also be sent to at least two vendors who are able to provide appropriate service.

3. Notify the Child Nutrition office at least 14 calendar days prior to the bid opening. The notification must include time and place of the bid opening.
4. Publicly open all bids at the time and place stated in the announcement. Only sealed bids, properly submitted are to be considered.
5. **Submit** all bids of \$50,000 or more to the Child Nutrition office for approval **before** accepting a bid. A '*Recommendation for Bid Award*' form is provided in *Attachment A* for this purpose. Child Nutrition must respond within 10 working days.
6. **Submit** all bids to the Child Nutrition office for approval **before** accepting a bid which exceeds the lowest bid. The reason that the particular bid was chosen must be included. A '*Recommendation for Bid Award*' form is provided in *Attachment A* for this purpose. Child Nutrition must respond within 10 working days.
7. Award the contract and **submit the following** to the Child Nutrition office:
 - Copy of the Invitation For Bid (IFB) package as given to bidders.
 - A copy of the public announcement as published, including name of newspaper(s) and date(s) published.
 - List of all vendors who requested and received the Invitation For Bid package, including letter from vendors who declined.
 - List of vendors sent the IFB by the Sponsor.
 - Copy of bid cover sheet from all vendors who submitted a bid.

- Copy of the bid quote sheet and vendor letters, as applicable.
- Copy of the entire contract awarded to the successful bidder, signed and dated by the Sponsor and FSMC, including the signed suspension and debarment certification.
- Copy of the award letter, as applicable.
- Reason for selecting the Food Service Management Company chosen.

Part III CONTRACT RENEWALS

The sponsoring organization and the FSMC may elect to renew the initial contract each year for four years. This renewal can amend the initial contract as needed, (price change, addition/deletion of sites, menu requirements, etc.). The renewal must be dated and signed by the representatives of the sponsoring organization and the FSMC who signed the original contract.

Submit to the Child Nutrition office a copy of the renewal dated and signed by both parties.